

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Reeves, Louisiana

A Component Unit of the Allen Parish Police Jury

Annual Financial Statements

As of and for the Year Ended September 30, 2013

RECREATION DISTRICT NO. 6 OF ALLEN PARISH

Annual Financial Statements
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Stutzman & Gates, LLC

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Commissioners
Recreation District No. 6 of Allen Parish
Reeves, Louisiana

We have compiled the accompanying financial statements of the governmental activities and each major fund of the Recreation District No. 6 of Allen Parish (the District), component unit of the Allen Parish Police Jury, as of and for the year ended September 30, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Recreation District No. 6 of Allen Parish is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been compiled by us without audit or review and accordingly, we do not express an opinion or provide any assurance on it.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.



Stutzman & Gates, LLC
February 5, 2014

BASIC FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Statement of Net Position
September 30, 2013

ASSETS	GOVERNMENTAL ACTIVITIES
Cash and cash equivalents	\$ 394,413
Other assets	18,974
Capital assets (net)	<u>1,677,630</u>
TOTAL ASSETS	<u>2,091,017</u>
LIABILITIES	
Accounts, salaries, and other payables	3,531
Accrued interest payable	1,292
Bonds payable:	
Portion due within one year	50,000
Portion due after one year	<u>510,000</u>
TOTAL LIABILITIES	<u>564,823</u>
NET POSITION	
Net investment in capital assets	1,117,630
Restricted for:	
Debt service	28,794
Unrestricted	<u>379,770</u>
TOTAL NET POSITION	<u><u>\$ 1,526,194</u></u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Statement of Activities
For the Year Ended September 30, 2013

	Program Revenues				Governmental Activities
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue & Change in Net Position
Governmental Activities					
General government	\$ 99,870	\$ -	\$ -	\$ -	\$ (99,870)
Interest	22,987	-	-	-	(22,987)
Total Governmental Activities	<u>\$ 122,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,857)</u>
General Revenues:					
Ad valorem taxes					167,709
Interest					541
Other income					<u>670</u>
Total general revenues					<u>168,920</u>
Change in Net Position					46,063
Net position-beginning					<u>1,480,131</u>
Net position-ending					<u>\$ 1,526,194</u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Balance Sheet, Governmental Funds
September 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 157,875	\$ 28,794	\$ 207,744	\$ 394,413
TOTAL ASSETS	<u>\$ 157,875</u>	<u>\$ 28,794</u>	<u>\$ 207,744</u>	<u>\$ 394,413</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$ 3,531	\$ -	\$ -	\$ 3,531
Total Liabilities	<u>3,531</u>	<u>-</u>	<u>-</u>	<u>3,531</u>
Equity and Other Credits:				
Fund Balances:				
Restricted				
Debt services	-	28,794	-	28,794
Assigned	-	-	207,744	207,744
Unassigned	154,344	-	-	154,344
	<u>154,344</u>	<u>28,794</u>	<u>207,744</u>	<u>390,882</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 157,875</u>	<u>\$ 28,794</u>	<u>\$ 207,744</u>	<u>\$ 394,413</u>

See accompanying notes and independent accountant's compilation report.

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2013

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Ad valorem	\$ 90,889	\$ 76,820	\$ -	\$ 167,709
Other taxes, penalties, interest, etc.	52	44	-	96
Interest	167	67	211	445
Other revenues	670	-	-	670
Total Revenues	<u>91,778</u>	<u>76,931</u>	<u>211</u>	<u>168,920</u>
EXPENDITURES				
Current:				
Advertising	1,055	-	-	1,055
Election expense	1,633	-	-	1,633
Insurance	11,849	-	-	11,849
Legal & professional	5,826	2,427	-	8,253
Office expenses	123	-	-	123
Promotions	5,852	-	-	5,852
Repairs & maintenance	20,750	-	-	20,750
Safe deposit box rental	30	-	-	30
Utilities	8,775	-	-	8,775
Capital outlay	6,270	-	-	6,270
Debt service:				
Principal payments	-	130,000	-	130,000
Interest payments	-	24,484	-	24,484
Agent fees	-	350	-	350
Total Expenditures	<u>62,163</u>	<u>157,261</u>	<u>-</u>	<u>219,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,615</u>	<u>(80,330)</u>	<u>211</u>	<u>(50,504)</u>
Net Change in Fund Balances	29,615	(80,330)	211	(50,504)
Fund balances-beginning	124,729	109,124	207,533	441,386
Fund balances-ending	<u>\$ 154,344</u>	<u>\$ 28,794</u>	<u>\$ 207,744</u>	<u>\$ 390,882</u>

See accompanying notes and independent accountant's compilation report.

NOTES TO THE FINANCIAL STATEMENTS

RECREATION DISTRICT NO. 6 OF ALLEN PARISH

Notes to the Financial Statements

As of and for the Year Ended September 30, 2013

INTRODUCTION

Recreation District No. 6 of Allen Parish was created by the Allen Parish Police Jury on September 18, 2000 under the authority conferred by Article VI, Section 19 of the Constitution of the State of Louisiana of 1974, Sections 4562 to 4566, both inclusive of Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:4562-33:4566). The District was created to provide recreational facilities for the citizens of Ward Three of Allen Parish. The District is governed by five commissioners whom are appointed by the Allen Parish Police Jury and maybe be compensated by a per diem of \$10 per meeting attended, not to exceed twelve meetings per year. As of September 30, 2013, the commissioners have chosen not to be paid any per diem. The District encompasses all of Ward Three of Allen Parish and has approximately 2,500 citizens. As of September 30, 2013, the District has no employees. The District offers a wide range of recreational facilities to the citizens.

Financial Reporting Entity

This report includes all funds which are controlled by or dependent on the Commissioners. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, ability to impose a financial benefit/burden, fiscal dependency, and other general oversight responsibility.

Based on the foregoing criteria, Recreation District No. 6 of Allen Parish has no other fiscal or significant managerial responsibility over any other governmental unit that is not included in the financial statements of Recreation District No. 6 of Allen Parish, Louisiana. The District is a component unit of the Allen Parish Police Jury.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Recreation District No. 6 of Allen Parish, (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of the Louisiana Revised Statutes 24.517 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Recreation District No. 6 of Allen Parish. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. All individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenses, gains and losses are measured and reported using the economic resources measurement focus and accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District. Interfund transfers are made to meet current or anticipated needs.

The District maintains three funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds are described below:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The Debt Service Fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Recreation District No. 6 of Allen Parish's investment policy allow the District to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e, the current portion of interfund loans) or "advances to/from other funds" (i.e, the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The District does not use a valuation account for bad debts and considers its method to not result in an outcome that differs materially from results if the allowance method had been used.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September or October and are actually billed to the taxpayers in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized and Levied Millage	Expiration Date
Taxes due for:		
Maintenance	5.15 mills	2022
Maintenance	3.14 mills	2017
Bond	7.00 mills	2022

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. As of September 30, 2013, all assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Recreation District No. 6 of Allen Parish maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Life
Recreation complex	20-50 years
Equipment	10 - 25 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities type statement of net position. Issuance costs are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

G. Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets- Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position- Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position- All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

As of September 30, 2013, the District had \$28,794 in restricted net position for future debt service payments.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance of the governmental funds are classified as follows:

1. *Nonspendable*, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Recreation District's Board of Commissioners (the District's highest level of decision-making authority),
4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority, and
5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Equity Classifications (continued)

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

As of September 30, 2013, the District did not have any non-spendable or committed fund balances. The District had an assigned fund balance of \$207,744 for capital outlay in the Capital Projects Fund and a restricted fund balance of \$28,794 for debt service in the Debt Service Fund.

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. Reconciliations of Government-Wide and Fund Financial Statements

The following reconciles the fund balances of governmental funds to the government-wide statement of net position.

Total Fund Balance at September 30, 2013-Governmental Funds	\$	390,882
Bond-related adjustments		(560,000)
Cost of capital assets		1,677,630
Accrued interest payable		(1,292)
Bond issuance costs, net		12,072
Prepaid insurance		6,902
Net Position at September 30, 2013-Governmental Activities	\$	<u>1,526,194</u>

The following reconciles the net changes in fund balance-total governmental funds to the changes in net position of governmental activities.

Total Net Change in Fund Balance-Governmental Funds	\$	(50,504)
Bond principal		130,000
Capital outlay		6,270
Depreciation expense		(41,050)
Interest		1,497
Legal & professional fees		2,426
Amortization of bond issuance costs		(1,238)
Prepaid insurance		(1,338)
Change in Net Position of Governmental Activities	\$	<u>46,063</u>

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Recreation District No. 6 of Allen Parish uses the following budget practices:

A budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by fund, function, and activity and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the District's Board of Commissioners for review. The board holds a public hearing and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. The budget was not amended for the year ended September 30, 2013.

3. CASH AND CASH EQUIVALENTS

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

In accordance with a fiscal agency agreement that is approved by the Board of Commissioners, the District maintains demand and time deposits through local depository banks that are members of the Federal Reserve System.

Interest rate risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. The District places no limit on the amount the District may invest in any one issuer.

At September 30, 2013, the Recreation District No. 6 of Allen Parish has cash and cash equivalents (book balances) totaling \$394,413 as follows:

Demand deposits	\$	-
Interest-bearing demand deposits		394,413
Time deposits		-
Other		-
Total	\$	<u>394,413</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2013, the Recreation District No. 6 of Allen Parish has \$394,500 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$144,500 of pledged securities held by the custodial bank in the name of the fiscal agency bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

4. CAPITAL ASSETS

Capital assets and depreciation activity, as of and for the year ended September 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 55,367	\$ -	\$ -	\$ 55,367
Total capital assets, not being depreciated	<u>\$ 55,367</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,367</u>
Capital assets being depreciated				
Recreation complex	\$ 1,789,005	\$ 6,270	\$ -	\$ 1,795,275
Equipment	<u>44,385</u>	<u>-</u>	<u>-</u>	<u>44,385</u>
Total capital assets being depreciated	<u>1,833,390</u>	<u>6,270</u>	<u>-</u>	<u>1,839,660</u>
Less accumulated depreciation for:				
Recreation complex	163,881	38,063	-	201,944
Equipment	<u>12,466</u>	<u>2,987</u>	<u>-</u>	<u>15,453</u>
Total accumulated depreciation	<u>176,347</u>	<u>\$ 41,050</u>	<u>\$ -</u>	<u>217,397</u>
Total capital assets being depreciated, net	<u>\$ 1,657,043</u>			<u>\$ 1,622,263</u>

Depreciation expense of \$41,050 for the year ended September 30, 2013, was charged to the following governmental functions:

General government	<u>\$ 41,050</u>
Total	<u>\$ 41,050</u>

5. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$3,531 at September 30, 2013 are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Accounts	\$ 3,531	\$ -	\$ -	\$ 3,531
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,531</u>

6. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 2013.

	Bonded Debt
Long-term obligations at Beginning of Year	\$ 690,000
Additions	-
Deductions	130,000
Long-term obligations at End of Year	<u>\$ 560,000</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of September 30, 2013.

	Bonded Debt
Current portion	\$ 50,000
Long-term portion	510,000
Total	<u>\$ 560,000</u>

All District bonds outstanding at September 30, 2013, for \$560,000, are general obligation bonds with maturities from 2014 to 2022 and interest rates from .75% to 4.00%. Bond principal and interest payable in the next fiscal year are \$50,000 and \$15,313, respectively. The individual issues are as follows:

Bond	Original Issue	Interest Rate	Final Payment Date	Interest to Maturity	Principal Outstanding	Funding Source
General Obligation Bonds, Series 2003	\$ 1,015,000	Up to 4%	March 1, 2022	\$ 89,377	\$ 560,000	Ad valorem taxes

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the District. At September 30, 2013, the Recreation District No. 6 of Allen Parish has accumulated \$28,794 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending September 30,	Principal Payments	Interest Payments	Total
2014	\$ 50,000	\$ 15,313	\$ 65,313
2015	55,000	14,781	69,781
2016	55,000	13,888	68,888
2017	60,000	12,588	72,588
2018	60,000	11,013	71,013
2019-2022	280,000	21,794	301,794
Total	<u>\$ 560,000</u>	<u>\$ 89,377</u>	<u>\$ 649,377</u>

In accordance with R.S. 39:562, the Recreation District No. 6 of Allen Parish is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At September 30, 2013, the statutory limit is \$3,685,360 and outstanding bonded debt totals \$560,000.

On March 1, 2013 the District negotiated a lower interest rate on the outstanding \$560,000 of General Obligation Bonds, Series 2003. This resulted in a decrease in total debt payments over the next 9 years and a decrease in the maximum interest rate charged from the original 7% to the new maximum of 4%.

7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District did not reduce insurance coverage during the year ended September 30, 2013.

8. COOPERATIVE ENDEAVOR AGREEMENT

Recreation District No. 6 of Allen Parish entered into a cooperative endeavor agreement on April 14, 2003 with the Allen Parish School Board for the purpose of providing for and promoting recreational opportunities for the youth of Ward 3, Allen Parish, generally and, more particularly, students of the Reeves School. The two entities own property that are contiguous to each other and when combined would create a tract or parcel that will be better utilized for the development of a recreational complex. The agreement allows the District to utilize the School Board's property for the construction of recreational facilities. Title to or ownership of this property remains with the School Board.

9. PER DIEM

As provided by Louisiana Revised Statute 38:1794, the board members may receive \$10 per diem for each regular and special meeting attended but shall not be paid for more than twelve meetings in each year. However, at this time the District is not paying per diem.

10. SUBSEQUENT EVENT REVIEW

The District's management has evaluated subsequent events through February 5, 2014, the date which the financial statements were available to be issued.

11. ACCOUNTING CHANGE

The District adopted Governmental Accounting Standards (GASB 63) for the year ended September 30, 2013. The statement provides guidance for reporting the financial statement elements of *deferred outflows of resources* and *deferred inflows of resources*. It also reports net position instead of net assets.

The District also adopted GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements" for the fiscal year ended September 30, 2013.

12. NEW ACCOUNTING PRONOUNCEMENT

In April 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 65, "Items Previously Reported as Assets and Liabilities." The statement clarifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of GASB No. 65 must be implemented by the District for the year ending September 30, 2014. The effect of implementation on the District's financial statements has not yet been determined.

12. NEW ACCOUNTING PRONOUNCEMENT (CONTINUED)

In June 2012, the GASB approved Statement No. 67, "Financial Reporting for Pension Plans" and Statement No. 68, "Accounting and Financial Reporting for Pensions". GASB Statement No. 67 replaces the requirements of GASB Statements Nos. 25 and 50 relating to financial reporting and note disclosures of pension plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provisions of GASB Statement No. 67 must be implemented by the District for the year ending September 30, 2014 and provisions of GASB Statement No. 68 must be implemented by the District for the year ending September 30, 2015. The effect of implementation of these statements on the District's financial statements has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

RECREATION DISTRICT NO. 6 OF ALLEN PARISH
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended September 30, 2013

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$ 90,940	\$ 90,889	\$ (51)
Other taxes, penalties, interest, etc.	-	52	52
Interest	154	167	13
Other revenues	670	670	-
Total Revenues	91,764	91,778	14
EXPENDITURES			
Current:			
Advertising	700	1,055	(355)
Election expense	-	1,633	(1,633)
Insurance	15,600	11,849	3,751
Legal & professional	5,100	5,826	(726)
Miscellaneous	900	-	900
Office expense	150	123	27
Promotion	5,852	5,852	-
Repairs & maintenance	28,000	20,750	7,250
Safe deposit box rental	30	30	-
Utilities	7,700	8,775	(1,075)
Capital outlay	6,405	6,270	135
Total Expenditures	70,437	62,163	8,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,327	29,615	8,288
NET CHANGE IN FUND BALANCE	21,327	29,615	8,288
FUND BALANCE (DEFICIT) AT BEGINNING OF YEAR	124,729	124,729	-
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ 146,056</u>	<u>\$ 154,344</u>	<u>\$ 8,288</u>

Notes to the Schedule:

The budget is adopted on a basis consistent with generally accepted accounting principles.

The following expenditures were underbudgeted by 5% or more: advertising, election, legal & professional, and utilities.

There were no amendments to the budget for the year ended September 30, 2013.

See independent accountant's compilation report.